

Decision **PROPOSED DECISION OF ALJ DIVISION** (Mailed on 9/21/15)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine
Procurement Policies and Consider Long-Term
Procurement Plans.

Rulemaking 13-12-010
(Filed December 19, 2013)

**DECISION GRANTING COMPENSATION TO L. JAN REID
FOR SUBSTANTIAL CONTRIBUTION TO DECISION (D.) 14-11-027**

Intervenor: L. Jan Reid	For contribution to Decision (D.) 14-11-027
Claimed: \$ 20,607.00	Awarded: \$20,607.00
Assigned Commissioner: Michael Picker	Assigned ALJ: ALJ Division¹

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	D.14-11-027 denied a Petition for Modification to D.14-03-004 filed by Alliance for Retail Energy Markets and the Direct Access Customer Coalition.
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**B. Intervenor must satisfy intervenor compensation requirements set forth in
Pub. Util. Code §§ 1801-1812:**

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference (PHC):	February 26, 2014	February 25, 2014
2. Other specified date for NOI:		
3. Date NOI filed:	March 27, 2014	March 27, 2014
4. Was the NOI timely filed?	Yes, L. Jan Reid timely filed the Notice of Intent to claim intervenor compensation.	

¹ ALJ David M. Gamson was previously assigned to this proceeding.

Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	R.12-03-014	Verified.
6. Date of ALJ ruling:	March 25, 2013	March 25, 2014 and April 9, 2014.
7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer or customer-related status?	Yes, L. Jan Reid demonstrated appropriate status as a customer.	
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	R.12-03-014	R.12-03-014.
10. Date of ALJ ruling:	March 25, 2013	March 25, 2014 and April 9, 2014.
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?	Yes, L. Jan Reid demonstrated significant financial hardship.	
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	N/A See comment below.	D.14-11-027
14. Date of issuance of Final Order or Decision:	N/A	November 25, 2015
15. File date of compensation request:	January 7, 2015	January 08, 2015. See Discussion in Part IV.
16. Was the request for compensation timely?	Yes.	

C. Additional Comments on Part I (use line reference # as appropriate):

#	Intervenor's Comment(s)	CPUC Discussion
13	A final decision closing proceeding R.13-12-010 has not been issued. Therefore, the request is timely pursuant to Public Utilities Code § 1804(c).	The request is timely; see discussion in Part IV.
16	<p>This request is timely under PU Code §1804(c) because of a standard previously established in D.11-03-019. In its decision on a compensation request filed by Reid, the Commission stated that: (D.11-03-019, slip op. at 6)</p> <p>“Reid filed his request for compensation on September 16, 2010. Considering that PRG and cost allocation mechanism group (CAMG) activities are ongoing and we have not established time-lines for requesting intervenor compensation for this work, we find this request timely.”</p> <p>The Commission should apply the same standard to the instant request by finding that Reid's request is timely under PU Code §1804(c).</p>	The request is timely; see discussion in Part IV.

PART II: SUBSTANTIAL CONTRIBUTION**A. Did the Intervenor substantially contribute to the final decision (see § 1802(i), § 1803(a), and D.98-04-059).**

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
1. PRG and CAM Group	<p>Reid claims compensation for his participation in Pacific Gas and Electric Company's (PG&E's) Procurement Review Group (PRG) and PG&E's Cost Allocation Mechanism (CAM) group for the period October 1, 2013 to December 31, 2014.</p> <p>Reid made a substantial contribution to the PRG and CAM process during the period reflected in the request through unique analysis, perspective or work product, and</p>	Verified.

	<p>through specific expertise or skills.</p> <p>The Commission has previously stated that: (D.11-03-019, slip op. at 7)</p> <p>“D.07-11-024 clarifies what information intervenors need to provide when they request compensation for participation in PRGs. That decision directed intervenors to explain the types of programs, policies, practices or documents reviewed in connection with its PRG work and how that work contributed to an outcome that benefited ratepayers. The intervenors should address how their work added value to the review or advisory process because of the intervenor’s unique analysis, perspective or work product or because of specific expertise or skills of the intervenor. The intervenor should also demonstrate reasonable collaboration with other group members to minimize the duplication of effort.”</p> <p>I address the requirements of D.07-11-024 in Attachment B of the instant pleading.</p>	
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B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor’s Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?²	Yes	Verified.
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Verified.
c. If so, provide name of other parties: ORA and TURN		Verified.
d. Intervenor’s claim of non-duplication: Reid collaborated with a number of PRG members during the period October 1, 2013 to December 31, 2014. Reid had private meetings or teleconferences with the following individuals: Michael Yeo of ORA; Marcel Hawiger of TURN; Independent Evaluators Lewis Hashimoto and Wayne Oliver; Kevin		Verified.

² The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

<p>Woodruff, consultant for TURN; and ORA attorney Cheryl Lee of the Energy Division.</p> <p>Although Reid does not seek compensation for all of these communications, they indicate reasonable collaboration with other PRG members.</p>	
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PART III: REASONABLENESS OF REQUESTED COMPENSATION (to be completed by Intervenor except where indicated)

A. General Claim of Reasonableness (§ 1801 and § 1806):

a. Concise explanation as to how the cost of Claimant's participation bears a reasonable relationship with benefits realized through participation (include references to record, where appropriate)	CPUC Discussion
<p>My participation in PG&E's PRG allowed me to identify issues in advance of an application and to focus on disputed cases that I believed were the highest priority for ratepayers. Ratepayers benefited because I was able to resolve many issues in the PRG process, thereby reducing the amount of protracted and expensive litigation.</p> <p>San Diego Gas & Electric Company (SDG&E) has pointed out: (R.06-02-013, Reply Comments of San Diego Gas & Electric Company On Proposed Decision Regarding Intervenor Compensation Related to Procurement Review Groups, Peer Review Groups and Public Advisory Groups, June 25, 2007, p. 2.)</p> <p>"Although the PRGs and PAGs are advisory in nature, they have greatly minimized potential litigation and contention in advance of filings being made because of the opportunity to confer at an early stage and on an ongoing basis."</p> <p>PG&E has withdrawn or modified numerous proposals as a result of Reid's participation in the PRG process, thereby saving ratepayers millions of dollars. At a public workshop on June 11, 2007, Sandra Burns of PG&E pointed out that PG&E considered certain transactions, but decided against executing them after consultation with its PRG.</p> <p>PG&E has recently stated that "More specifically, the PRG membership has provided valuable feedback on a variety of subjects, including but not limited to, renewable energy, greenhouse gas, resource adequacy, congestion revenue rights, and emerging technology policy and contracting considerations. PG&E finds the advice and opinions expressed by the PRG members thoughtful and insightful. PG&E always considers the advice of the PRG members prior to making any final procurement policy or contracting decisions. In the past, PG&E had modified or withdrawn certain procurement recommendations as the result of that advice." (PG&E</p>	<p>Verified.</p>

<p>Response to Reid Discovery Request #1, August 26, 2014, p. 1)</p> <p>I provide PG&E's discovery request response as Attachment C to the instant pleading.</p> <p>Discovery in the PRG setting is more efficient than discovery conducted in a formal proceeding. In the PRG process, PG&E often provides requested data within 48 hours. There has been no instance where PG&E has refused to furnish information to Reid. In a formal application, this is not always the case. Utilities may take up to two weeks to respond to discovery requests and can object, refuse to answer, or provide incomplete answers to discovery questions. Because discovery in the PRG process is more efficient than discovery in a formal proceeding, Reid was able to reduce ratepayer costs when he participated in a subsequent formal proceeding.</p> <p>In 2002, the Commission found that: (D.02-10-062, Finding of Fact 28, slip op. at 72)</p> <p>"Participation in the procurement review group makes a significant contribution to effective implementation of this decision and parties eligible to receive intervenor compensation awards in this proceeding should be eligible to seek compensation for their work in these groups and in the on-going review of procurement advice letters and expedited applications."</p> <p>My contract analysis in the PRG process allowed me to determine whether I would formally protest subsequent application and advice letter filings. During the period covered by this pleading, I reviewed four advice letters: AL4313-E-B, AL4352-E-C, AL4355-E, and AL4367-E. Based upon my review and analysis, I decided not to protest three of these PG&E advice letters.</p> <p>Reid's PRG participation saved ratepayers the cost of participation in the procedural process for the above-cited advice letters. Reid contributed to the proceeding in a manner that was productive and will result in benefits to ratepayers that exceed the costs of participation.</p> <p>The Commission can safely find that the participation of Reid in this proceeding was productive. Overall, the benefits of Reid's contributions to the PRG and CAM processes justify compensation in the amount requested.</p>	
<p>b. Reasonableness of Hours Claimed.</p> <p>All of Reid's work in this proceeding was performed by L. Jan Reid. Thus, no unnecessary internal duplication took place.</p> <p>In this pleading, Reid requests compensation in the total amount of \$20,607.00 for time reasonably devoted to PG&E's PRG and CAM group. A more detailed breakdown of the time devoted to this proceeding by Reid</p>	<p>Verified.</p>

<p>is provided in Attachment A to this pleading.</p> <p>Reid's work was performed efficiently. L. Jan Reid is a former Commission employee who has testified on many occasions on issues such as long term procurement plans, renewables procurement, cost-of-capital, utility finance, and electricity and natural gas procurement issues.</p> <p>Daily listings of the specific tasks performed by Reid in connection with this proceeding are available in Attachment A to this pleading. The cost listings demonstrate that the hours claimed are reasonable given the scope and timeframe of this part of the instant rulemaking.</p> <p>No compensation for administrative time is requested, in accordance with Commission practice. (D.99-06-002, discussion, slip op. at 8-10). I understand that the Commission may audit my books and records to the extent necessary to verify the basis for any award, pursuant to PU Code §1804(d).</p>	
<p>c. Allocation of hours by issue:</p> <p>Due to the confidential nature of the PRG and CAM groups, the Commission does not require intervenors to allocate hours by issue. The Commission has previously stated:</p> <p>"Compensation requests need not publicly disclose confidential information." (D.07-11-024, slip op. at 6)</p> <p>"The intervenor must determine what information it can or will provide to support its request." (D.07-11-024, slip op. at 7-8)</p>	Verified.

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
L. Jan Reid, Expert and Advocate	2013	25.6	215	D.14-12-072, Appendix	5,504.00	25.6	\$215.00	\$5,504.00
L. Jan Reid, Expert and Advocate	2014	66.5	220	Resolution ALJ-303	14,630.00	66.5	\$220.00	\$14,630.00
Subtotal: \$ 20,134.00						Subtotal: \$20,134.00		

INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hour s	Rate	Total \$
L. Jan Reid	2015	4.3	110.00	Resolution ALJ-303	473.00	4.3	\$110.00	\$473.00
TOTAL REQUEST: \$ 20,607						TOTAL AWARD: \$20,607.00		
<p>**We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer’s normal hourly rate</p>								

C. Intervenor's Comments on Part III

Comment #	Intervenor's Comment(s)
1	<p>Reid's Hourly Rate</p> <p>Reid requests that the Commission authorize an hourly rate of \$215 for L. Jan Reid for 2013 professional work, and \$220 for 2014 and 2015 professional work. Reid also requests an hourly rate for L. Jan Reid of \$107.50 for 2013-compensatory time, and \$110.00 for 2014-2015 compensatory time.</p> <p>As discussed in Part III.B, the Commission set Reid's hourly rate at \$215 for 2013 professional work. The Commission has ordered that "For work performed in the 2014 calendar year, intervenors are authorized a 2.58 percent cost-of-living adjustment." (Resolution ALJ-303, Ordering Paragraph 1, slip op. at 9.)</p> <p>The Commission had previously set Reid's hourly rate for 2013 work at \$215/hr. (<i>See</i> D14-12-072, Appendix). 2.58% of \$215 is \$5.57, which rounds to a rate increase of \$5/hr. for 2014 and 2015 work. Thus, Reid's hourly rate for 2014 and 2015 work should be set at \$220/hr. (215 + 5 =220).</p>

D. CPUC Disallowances and Adjustments:

Item	Reason
[1]	The Commission approves a rate of \$220 per hour for L. Jan Reid's 2014 work.

PART IV: OPPOSITIONS AND COMMENTS

Within 30 days after service of this Claim, Commission Staff or any other party may file a response to the Claim (*see* § 1804(c))

A. Opposition: Did any party oppose the Claim?	No.
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?	No. L. Jan Reid filed comments on the proposed decision on October 12, 2015. See discussion below.

Party	Comment	CPUC Disposition
L. Jan Reid	Reid filed comments on October 12, 2015 in response to the Proposed Decision. Reid requests that he be awarded \$22,609, plus interest from March 07, 2015. He states that the PD as mailed improperly denied hours attributable to advice letter review and hours that occurred before the proceeding opened. Reid's comment also states that his claim should be treated as having been filed on January 07, 2015, and not June 15, 2015. Finally, Reid requests that PG&E be ordered to pay the entire award.	<p>R.13-12-010 at 21 states, "This is a successor proceeding to the Commission's procurement rulemaking, Rulemaking 12-03-014, with respect to long-term procurement plans and the record developed in that proceeding is fully available for consideration in this proceeding." Therefore, for the purposes of this claim, we treat decisions issued in R.12-03-014 as applicable to claims filed in R.13-12-010. Thus, Reid's claim was timely filed on January 8, 2015, within 60 days after the issuance of D.14-11-027 in R. 12-03-014.</p> <p>Ordering Paragraph No. 10 of R.13-12-010 states, in part, that "...contributions made during the pendency of R.12-03-014 to issues within the scope of this proceeding may be considered for compensation in this proceeding, if not already compensated." Therefore, the award is revised to compensate Reid for 24.7 hours for work performed prior to the opening of R.13-12-010.</p> <p>Reid requests compensation for 9.1 hours spent preparing comments on</p>

		<p>the proposed decision granting compensation to L. Jan Reid for substantial contribution to Decision 14-11-027. The time spent commenting on the proposed intervenor compensation did not substantially contribute to D.15-06-028 and are therefore non-compensable.</p> <p>The Commission has considered Reid's comments and made changes where appropriate, and revised the award. Reid is awarded \$20,607.00 plus interest from March 24, 2015, the 75th day after his claim was filed.</p>
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FINDINGS OF FACT

1. L. Jan Reid has made a substantial contribution to D.14-11-027.
2. The requested hourly rate for L. Jan Reid is comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$20,607.00.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. L. Jan Reid shall be awarded \$20,607.00.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric, and Southern California Edison Company shall pay L. Jan Reid their respective shares of the award, based on their California-jurisdictional electric revenues for the 2014 calendar year, to reflect the year in which the proceeding was primarily litigated. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning March 24, 2015, the 75th day after the filing of L. Jan Reid's request, and continuing until full payment is made.

3. The comment period for today's decision is waived.

This decision is effective today.

Dated _____, 2015, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	No
Contribution Decision(s):	D1411027		
Proceeding(s):	R1312010		
Author:	ALJ DIVISION		
Payer(s):	Pacific Gas and Electric Company, San Diego Gas & Electric, and Southern California Edison		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
L. Jan Reid	01/08/2015	\$20,607.00	\$20,607.00	No	

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
L. Jan	Reid	Expert	L. Jan Reid	\$215.00	2013	\$215.00
L. Jan	Reid	Expert	L. Jan Reid	\$220.00	2014	\$220.00

(END OF APPENDIX)